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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:

Chapter 11

URBAN COMMONS 2 WEST LLC, at al.,

Case Nos. 22-11509 (PB)
(Jointly administered)

Debtors.

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**REPLY OF BPC LENDER, LLC IN SUPPORT OF THE DEBTORS'
MOTION FOR DIP FINANCING AND RELATED RELIEF**

BPC Lender, LLC, by and through its undersigned counsel, hereby respectfully submits this reply in support of the above-captioned debtors' (collectively, the "Debtors") *Application for Order Seeking Authority (1) To Obtain Credit From Existing First Priority Lender Secured By Liens On Property Of The Estate And Super Priority Claims Pursuant To Sections 364(c)(1) And 364(d) Of The Bankruptcy Code, (2) For Preliminary Relief Pending Final Hearing, And (3) To Modify The Stay To Permit The Turnover Of Escrowed Insurance Proceeds To Lender On Account Of Its Pre-Petition First Priority Lien Thereon Pursuant To Section 362(d)(1)* [ECF NO. 71] (the "DIP Motion"). In support thereof, BPC Lender respectfully represents and submits as follows:

REPLY¹

1. BPC Lender hereby joins in and supports the Debtors' response [ECF No. 82] (the "DIP Reply") to the limited objections of the Battery Park City Authority and Highgate Hotels, L.P. (together, the "Limited Objections"). Additionally, BPC Lender would like to highlight the following points respecting the proposed DIP Loan, including the Debtors' request for the release of the Insurance Escrow.

2. *First*, the terms and provisions of the proposed DIP Loan, as set forth in the DIP Loan Term Sheet attached to the DIP Motion as Exhibit A, are the result of extensive, good-faith negotiations by and between BPC Lender, the Debtors' independent manager, Mr. Bernard A. Katz (the "Independent Manager"), the Debtors' chief restructuring officer, Mr. Mark D. Podgainy (the "CRO") and Debtors' counsel.

3. Specifically, and not surprisingly, the proposed case milestones and timeline of the Debtors' sale process, described in the DIP Motion in paragraph 22(j), and in the DIP Loan Term Sheet at page 4, were the subject of much discussion and negotiation. Importantly, included in the discussion were two industry leading real estate brokers who the Independent Manager and the CRO have selected, after an extensive interview process, to serve as the Debtors' co-brokers.² Ultimately, the foregoing parties, including the two real estate brokers, concluded that the proposed timeline will facilitate a robust marketing and sale process and will maximize the value of the Debtors' property.

4. *Second*, the release of the Insurance Escrow, as described in the DIP Motion, as a condition precedent to the closing of the DIP Loan is a critical point for BPC Lender. As the

¹ Capitalized terms not otherwise defined shall have the meanings set forth in the DIP Motion.

² Pursuant to the case milestones, the Debtors are required to file the broker retention application no later than December 22, 2022.

Debtors' correctly note in their DIP Reply, and BPC Lender respectfully submits, the Prepetition Loan Documents clearly provide that the Insurance Escrow constitutes collateral in which BPC Lender has a first priority, properly perfected lien and security interest.

5. Additionally, another condition precedent to the closing of the DIP Loan, and another critical point for BPC Lender, is the inclusion of the case milestones in the Interim DIP Order. Without them, the DIP Lender will not be required to fund the Interim Funding.

WHEREFORE, for these reasons, and those described in the Debtors' Reply, BPC Lender respectfully submits that this Court enter an order (i) overruling the Limited Objections, (ii) granting the DIP Motion, and (iii) granting such other relief as the Court deems appropriate.

Dated: New York, New York
December 21, 2022

Respectfully submitted,
HERRICK, FEINSTEIN LLP

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